

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 24, 2013

Certified Return Receipt
7010 2780 0002 7254 1262

Andre Zeitoun
Applied Minerals
P. O. Box 968
630 East Mullan Avenue, #D
Osburn, Idaho 83837

Andre Zeitoun
Applied Minerals
110 Green Street
Suite 1101
New York City, New York 10012

Subject: Division Directive, Applied Minerals, Dragon Mine, M/023/0080, Juab County, Utah

Response required by December 2, 2013

Dear Mr. Zeitoun:

The Division of Oil, Gas and Mining inspected the Dragon Mine, M/023/0080 on October 17, 2013, and found a mill was being constructed. This mill is not included in the Notice of Intention to Commence Large Mining Operations (Notice) and so **is not authorized**.

You are directed to update the Notice to show the location of the mill on appropriate maps and to include narrative in the text. The reclamation cost estimate must also be updated. **These changes to the Notice must be received no later than December 2, 2013.** Failure to provide these modifications by this date may result in enforcement action and associated fines.

After receiving these changes, the Division will review them to determine whether they meet the requirements of the R647 rules and if they constitute an amendment or a revision. When updating the reclamation cost estimate, please note that the current mine maps list the buildings by the same name and number as that shown in the cost estimate. The Division will review the reclamation cost estimate and determine what changes to the surety amount are needed.

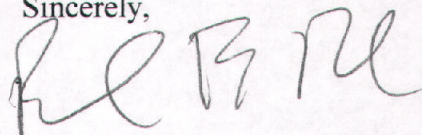
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Andre Zeitoun
M/023/0080
October 24, 2013

The reclamation cost estimate spreadsheet is available on the Division's web site at https://fs.ogm.utah.gov/pub/mines/minerals_related/forms/MR-AR-LMO.pdf. Please contact Wayne Western at 801-538-5263 if you need assistance with the calculation.

You may want to update the contact information in the Notice to include Eric Nedreberg. Please update your contact information if you want the mail to be sent to the New York address.

Please call Wayne Western at 801 538-5263 or me at 801-538-5261 if you have any questions in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written in a cursive style.

Paul B. Baker
Mineral Manager

PBB: whw: eb

Cc: Duane Bays, BLM Fillmore FO (dbays@blm.gov)

Eric Nedreberg, 1200 Silver City Road, Box 432, Eureka, Utah 84628

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